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SMIT HOLDINGS LIMITED

國微控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2239)

POSITIVE PROFIT ALERT

This announcement is made by SMIT Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, according to the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019, the Group expects to record a net profit of no less than US\$10 million. The net profit for the corresponding period in 2018 was US\$1.3 million. The increase in net profit is mainly attributable to an one-off gain of no less than US\$20 million on the deemed disposal of the equity interests in S2C Shanghai Co., Ltd. (思爾芯(上海)信息科技有限公司) (“**S2C**”) completed during the year. However, this was partially off-set by a downward valuation of certain investments held by the Group of approximately US\$5 million as well as an increase in research and development expenditure on our electronic design automation (“**EDA**”) business and the full year impact of the increased running cost of S2C prior to its deemed disposal.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2019, the information contained in this announcement is only based on the Board’s preliminary review of the information of the Group currently available to the Board, which includes, inter alia, the unaudited consolidated management accounts for the year ended 31 December 2019, and such information has neither been reviewed by the Company’s auditor nor the audit committee of the Company and may be subject to changes.

Shareholders and potential investors should read carefully the announcement on annual results of the Group for the year ended 31 December 2019, which will be published in due course pursuant to the requirements of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
SMIT Holdings Limited
Huang Xueliang
Chairman

Hong Kong, 20 March 2020

As at the date of this announcement, the executive Directors are Mr. Huang Xueliang (chairman and chief executive officer), Mr. Shuai Hongyu and Mr. Loong, Manfred Man-tsun; the non-executive Directors are Mr. Kwan, Allan Chung-yuen and Mr. Gao Songtao; and the independent non-executive Directors are Mr. Zhang Junjie, Mr. Woo Kar Tung, Raymond and Mr. Jin Yufeng.